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May 1999

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NEW LEADERSHIP FOR THE TEACHER'S RETIREMENT FUND

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- New Leadership for the Teachers' Retirement Fund

After a long career in public service, including ten years with the Indiana State Teachers' Retirement Fund, Dr. Mary Pettersen has retired from her position as Director of TRF. Those who know Mary personally have no doubt that she will find new and creative ways to be of service to her community. We wish her the good fortune and good health that she deserves. She will be missed!

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- New Managers Hired to Invest Mid Cap Funds
- Attention Retired Members - Are you paying too much for health insurance?

Governor Frank O'Bannon appointed Dr. William Christopher as the interim Director. Dr. Christopher was raised in Indiana. He received a Bachelor's Degree from Manchester College and his Master's Degree and Doctorate from Purdue. His Doctorate is in Educational Administration. Further, Dr. Christopher attended Stanford University in Palo Alto, California and is the recipient of an honorary Doctorate from Vincennes University.

Dr. Christopher started his impressive career as a science teacher and was later promoted to the position of school principal. Astoundingly, by the age of 28 he was the Tri-County School Corporation's Superintendent of Schools. He also served as the Superintendent of Richmond Community Schools.

Dr. Christopher's first role in state government was with the Indiana Department of Education. Later, he was appointed as the first Commissioner of Vocational and Technical Education. After three years, Dr. Christopher was appointed the founding Commissioner of the Department of Workforce Development. He was also the Director of Education Policy for Governor Evan Bayh. Dr. Christopher is currently serving as the Executive Director of the State Student Assistance Commission.

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Dr. Christopher has been married for almost 36 years and has three grown daughters, the youngest of whom recently graduated from college. He and his wife, Merona, live near Noblesville. As an educator, Dr. Christopher is a member of TRF and cares deeply about the welfare of the Fund and its members. He recently stated, "I'm finding working with the staff such an enjoyable experience! I

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Teachers' Retirement Fund Phone Numbers

**You can find out
about the following at**

our main number.....(317) 232-3860
Benefit Check Deduction, Benefit Check
Health Insurance Deductions, Counseling,
Death Reports, Direct Deposit,
Lost Checks, Service Credit and
Withdrawals.

Other Services:

Investments.....232-3868
School Reports.....232-3873
TDD/TTY.....233-3306
Director's Office.....232-3869
FAX Number.....232-3882

Visit our site on the World
Wide Web at: <http://www.state.in.us/trf>

Indiana State Teachers' Retirement Fund

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Frank O'Bannon, Governor
Dr. William Christopher,
Interim Director
Board of Trustees
Owen B. Melton, Jr.
President
James M. Bennett
Louise W. Elliott
Garrett L. Harbron
Matthew Murphy, III

Attention:

**OUR COMPUTERS ARE READY FOR THE YEAR 2000.
CHECKS WILL CONTINUE TO ARRIVE ON TIME**

May 1999

Computer Project Progress



The TRF/PERF computer project is moving along according to schedule. During the last few weeks, staff members from both agencies have been attending training sessions administered by the creators of the new system. Staff members are being provided with foundational information about the system, such as the functions it will allow the staff to perform and the changes that it will make in the ways in which they do their work. For example, the system will allow TRF to utilize imaging technology for recording documents. The result will be less paperwork to maintain an improved accountability. While this project will take time because of the complexity of the new system, it should be completed by the middle of the year 2001.

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Peak Season

Our peak season, which typically runs from June through October, is rapidly approaching. TRF staff will be interviewing those members who will retire at the end of the current school year. Even though time will be a precious commodity during this period, we are still available to answer your questions.

To assist with the increased demand, we are asking non-retiring members, who would like a retirement estimate or need to discuss another issue, to strongly consider sending these requests by mail, delaying in-person visits until after the peak season recedes. If you are interested in an estimate of retirement income, please send a letter that includes:

- Current year earnings
- Estimated earnings for any future years that you plan to teach
- If you wish to have co-survivor options computed, include your spouse's date of birth
- The total number of years of service that you expect to have as of the year you plan to retire (these years do not have to be verified in order for an estimate to be done, but it is important to have the verification done prior to submitting a retirement application)

Results of 1998 National Summit on Retirement Planning

The purpose of the Summit, which was held on June 4th and 5th of 1998 in Washington, D.C., was to increase public awareness about the importance of retirement planning and to identify ways to promote greater retirement savings by all Americans. The Summit was a great resource for sharing ideas to advance the public's knowledge and understanding of retirement savings. As called for in the SAVER Act, this Summit was a public/private partnership planned by the U.S. Department of Labor and the American Savings Education Council in consultation with the Administration and Congress. Representatives of the executive and legislative branches presided over this bipartisan Summit equally. The SAVER Act calls for a second Summit in 2001 and a third in 2005.

What the results of the Summit really made clear is that the experiences of certain groups of professionals, such as teachers, who not only tend to have excellent retirement funds, but newsletters, other publications and workshops that keep them informed about investing for retirement are not the norm. Results of studies have shown that the majority of Americans know very little about any retirement funds that are provided by their employers and have little access to information about financial planning for retirement.

According to materials made available to Summit participants, over twenty % of those persons with employers who have 100 or more workers do not have company pension plans and the numbers keep growing as the companies get smaller. Only 17% of persons who work for companies with 25 or fewer employees have a pension plan offered to them. The primary goal of the summit was to identify ways to encourage private companies to create pension plans for their employees and ways to educate the general population about the need for and ways to save for retirement. If you are interested in reading the full report, it is available online to anyone who has the Adobe Acrobat Reader software installed on their computer. The web site for the Summit can be found at: <http://www.saversummit.org/>.

This study serves as a helpful reminder that

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New Managers Hired to Invest Mid Cap Funds

At the TRF Board meeting held on Tuesday, April 27th, six firms, who the staff (in consultation with Callan & Associates) had chosen as final candidates, made presentations. The Board received detailed information about each firm, including their philosophy, the methods used to make investment decisions, the qualifications of their staff and the performance of their investments over time. Board members had the opportunity to ask questions of each firm both during and after their presentations.

After all of the presentations were completed, Board members went over the printed materials and discussed the pros and cons of hiring each firm. At the end of their deliberations, a vote was taken. The new managers for the TRF Mid Cap Funds will be:

- Consecro, Indianapolis
- Putnam, Boston
- Valenzuela, New York City
- Franklin, Boston

ATTENTION RETIRED MEMBERS

Are you paying too much for health insurance?



Many members have already discovered that the Teachers' Retirement Fund offers an excellent Medicare secondary group health insurance plan with Anthem Blue Cross and Blue Shield. **Please note** that individual policies with comparable coverage are generally more expensive than group policies. Members become eligible for the group policy when they are eligible for Medicare. If you would like an information packet on this program, you may request one by calling Anthem at 1-800-368-9354.

The current rates for the TRF plans are as follows:

Option	Age 65-69*	Age 70-74	Age 75 & Older
A	\$192.15	\$209.05	\$226.30
B	\$ 98.75	\$107.50	\$116.25

*If you are under age 65 and enrolled in Medicare Part A and Part B, these are the rates that apply to you.

Both of these options cover applicants who are enrolled in Medicare Part A and Part B. The dollar amounts listed are equal to the monthly cost. These prices are effective from April 1st, 1999 through March 31st, 2000. The difference between the two options is that Option A includes prescription drug coverage, while Option B does not. The medical portion of the overall plan includes a deductible of \$100 and an out-of-pocket maximum of \$600 per year, with no deductible for prescriptions. If you purchase Option A with the prescription coverage, you pay 40% of the cost for a generic drug and 45% of the cost for a brand name drug if you use a local pharmacy. If you use Anthem's prescription mail order service, you pay \$15 for a generic drug and \$30 for a brand name drug. We encourage you to thoroughly research and compare your options before making a final determination.